

# **Advisory Memorandum**

**TO:** All Licensed Property and Casualty Insurance Carriers  
**FROM:** Montana State Auditor's Department of Insurance  
**DATE:** November 7, 2007  
**RE:** SB 204: Prohibits an insurer from requiring motor vehicle repair estimates or repairs from certain businesses by claimants (Amends Mont. Code Ann. §33-18-224)

In 2007 the Montana Legislature passed Senate Bill 204, a law changing the requirements for automobile repair estimates. [Mont. Code Ann. §33-18-224]

Effective October 1, 2007, any property and casualty [P & C] carrier that issues or renews an automobile policy of insurance in Montana will no longer be able to ask a claimant or insured to go to a particular repair shop for the purpose of obtaining an estimate of damages resulting from an auto accident. Prior to this change, an insurer could ask an insured or claimant to go to a specific shop for estimating purposes, but not for the actual repairs of the vehicle. They could provide a list of direct repair facilities for the actual repairs, but the consumer retained the right to choose where the repairs would be done.

The above referenced change in law now prohibits a P & C insurer or its representatives from asking the insured or claimant to go to a specific shop, even for the initial estimate. The insurer or its representatives still has a right to have their own appraiser or adjuster inspect the vehicle for a repair estimate. With this change, the insured or claimant now has the right to decide where to take the vehicle for the initial estimate and for subsequent repairs of that vehicle.